

**KANSAS**  
**HISTORIC PRESERVATION CREDIT**



For the taxable year beginning, \_\_\_\_\_, 20 \_\_\_\_; ending \_\_\_\_\_, 20 \_\_\_\_.

Name of taxpayer (as shown on return)	Social Security Number or Employer ID Number (EIN)
If partner, shareholder or member, enter name of partnership, S corporation, LLC or LLP	Employer ID Number (EIN)

**PART A – HISTORIC STRUCTURE INFORMATION**

**PROJECT NUMBER:** \_\_\_\_\_ **CERTIFICATE NUMBER:** \_\_\_\_\_

**A. Property Location:**

\_\_\_\_\_  
Name of Historic Property

\_\_\_\_\_  
Address of Property

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

**PART B – REHABILITATION PROJECT INFORMATION**

**B. Project start date:** \_\_\_\_\_ **Placed In Service Date:** \_\_\_\_\_

**C. Are you claiming an acquired credit? (See Instructions)** ☐ No ☐ Yes If yes, you must enclose a copy of your Certificate of Transfer issued by the Kansas State Historical Society. If this is your first year to claim an acquired credit, skip lines 1 and 2 of Part C and enter the total amount of the tax credit transferred to you on line 3, Part C. For the 2nd and subsequent tax years, enter the amount of acquired credit carry forward on line 6, Part D.

**PART C – COMPUTATION OF CREDIT AVAILABLE** *(Refer to the instructions on the back of this form)*

1. Enter the total qualified expenditures incurred to rehabilitate the historic structure  
(must be \$5,000 or \$50,000 or more, see instructions)..... 1. \_\_\_\_\_
2. Credit percentage allowed (enter 25%, 30% or 40%, see instructions)..... 2. \_\_\_\_\_ %
3. Total credit available for this project (multiply line 1 by line 2)..... 3. \_\_\_\_\_
4. Enter your proportionate share percentage (see instructions)..... 4. \_\_\_\_\_
5. Credit available to your return (multiply line 3 by line 4)..... 5. \_\_\_\_\_

**PART D – COMPUTATION OF THIS YEAR'S CREDIT**

6. Amount of carry forward from prior year. Enter the amount from line 10 of the prior year's  
Schedule K-35. (Not applicable the first year credit is claimed.)..... 6. \_\_\_\_\_
7. Total credit available this tax year (add lines 5 and 6)..... 7. \_\_\_\_\_
8. Enter your total tax liability for this tax year after all credits other than this credit..... 8. \_\_\_\_\_
9. Credit this tax year (enter the lesser of lines 7 or 8 here and on the appropriate line of Form K-40,  
K-41, K-120 or K-130 for nonrefundable credits)..... 9. \_\_\_\_\_

**PART E – COMPUTATION OF CREDIT CARRY FORWARD**

10. Subtract line 9 from line 7. This is the amount of credit to carry forward to next year's return.  
Enter this amount on line 6 of next year's Schedule K-35..... 10. \_\_\_\_\_

# INSTRUCTIONS FOR SCHEDULE K-35

## GENERAL INFORMATION

K.S.A. 79-32,211 provides a tax credit against the income, privilege or premium tax for certain historic preservation project expenditures. The credit is available to a qualified taxpayer that makes qualified expenditures to restore or preserve a qualified historic structure according to a qualified rehabilitation plan. The Kansas State Historical Society determined and issues the credit.

Recent changes to the statute have changed the credit rate and qualified expenditure minimums depending on where the historic structure is located in Kansas or type of qualified taxpayer.

For projects placed in service prior to 1/1/2022:

- 25% of qualified expenditures incurred in the restoration and preservation of a qualified historic structure.

- 30% of qualified expenditures incurred in the restoration and preservation of historic structure which is exempt from federal income tax pursuant section 501 (c)(3).

For projects placed in service from 1/1/2022 through 6/30/2025:

- 25% of qualified expenditures incurred in the restoration and preservation of a qualified historic structure pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditure equals \$5,000 or more.

- 30% of the qualified expenditures incurred in the restoration and preservation of a qualified historic structure located in a city with a population between 9,500 and 50,000 pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditures equals \$5,000 or more;

- 40% of the qualified expenditures incurred in the restoration and preservation of a qualified historic structure located in a city with a population of less than 9,500 pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditures equals \$5,000 or more; or

- 30% of qualified expenditures incurred in the restoration and preservation of a qualified historic structure which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code and which is not income producing pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditures equals \$5,000 or more.

For projects placed in service on 7/1/2025 or later:

- 25% of qualified expenditures incurred in the restoration and preservation of a qualified historic structure located in a city with a population of more than 50,000 pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditure equals at least \$5,000 and less than \$50,000;

- 40% of the qualified expenditures incurred in the restoration and preservation of a qualified historic structure located in a city with a population of more than 50,000 pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditures equals \$50,000 or more;

- 40% of the qualified expenditures incurred in the restoration and preservation of a qualified historic structure located in a city, township or unincorporated area with a population of less than 50,000 or less pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditures equals \$5,000 or more; or

- 40% of qualified expenditures incurred in the restoration and preservation of a qualified historic structure which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code and which is not income producing pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditures equals \$5,000 or more.

Partners, shareholders and members of a pass-through entity will claim this credit in the same manner as they account for their proportionate shares of the income or loss of that entity.

If the tax credit exceeds the income, privilege or premium tax liability for the year in which the qualified rehabilitation plan was placed in service, the excess credit may be carried forward to the next succeeding year(s) until the total credit has been used except that no credit may be carried over for deduction after the 10th taxable year succeeding the year in which the qualified rehabilitation plan was placed in service.

Tax credits allowed and earned may be sold, assigned or otherwise transferred to a taxpayer (assignee) who may use the **acquired credit** against its tax liability for either the tax year the qualified rehabilitation plan was first placed in service or the year in which the credit was acquired. Unused credit amounts claimed by an assignee may be

carried forward for up to 5 years, except that all such amounts shall be claimed within 10 years following the tax year in which the qualified rehabilitation plan was first placed into service. The amount received by the assignor of the tax credit shall be taxable as income of the assignor. The excess of the value of the credit over the amount paid by the assignee for the credit shall be taxable as income to the assignee.

A **qualified taxpayer** is the owner of the qualified historic structure or any other person who may qualify for the federal rehabilitation credit allowed by section 47 of the federal internal revenue code.

A **qualified historic structure** is any building, whether or not income producing, which is defined as a certified historic structure by section 47(c)(3) of the federal internal revenue code, is individually listed on the register of Kansas historic places, or is located and contributes to a district listed on the register of Kansas historic places.

A **qualified rehabilitation plan** is a project that has been approved by the Cultural Resources Division of the Kansas State Historical Society, or by a local government certified by the division to so approve. The plan must be consistent with the standards and guidelines for rehabilitation of historical buildings as adopted by the federal secretary of interior.

**Qualified expenditures** are costs and expenses incurred by a qualified taxpayer in the restoration and preservation of the qualified historic structure according to the approved plan which are defined as a qualified rehabilitation expenditure by section 47(c)(2) of the federal internal revenue code.

K.S.A. 74-50,227 requires the collection of certain tax incentive information for publication on a database managed by the Kansas Department of Commerce. Information collected will include the name and address, including county of the recipient receiving the benefits from the tax incentive program, the annual amount of incentive claimed, distributed or received, qualification criteria for the incentive, and required benchmarks for continued participation in the program and progress made towards the benchmarks.

## SPECIFIC LINE INSTRUCTIONS

Complete a separate schedule for each qualified historic structure.

### PART A – HISTORIC STRUCTURE INFORMATION

Enter project number, certification number, and the name and address of the qualified historic structure. If the building is known by a historic name, include this as well as the complete address of the property.

### PART B – REHABILITATION PROJECT INFORMATION

Complete the requested information about the certified rehabilitation project. The state credit is generally available the same tax year as the federal credit is taken. If the project does not qualify for the federal credit, the state credit is taken the year in which the qualified rehabilitation plan was placed in service. If this is your first year to claim an acquired credit, enter the total amount of the transferred credit on line 3 of Part C. Otherwise enter the acquired credit carry forward on line 6, Part D. Include a copy of the Certificate of Transfer issued by the Kansas State Historical Society with the form K-35.

### PART C – COMPUTATION OF CREDIT AVAILABLE

**LINE 1** – Enter the total qualified expenditures to rehabilitate the structure.

**LINE 2** – See the General Information section for an explanation of these percentages.

**LINE 3** – Multiply line 1 by the appropriate percentage on line 2. This is the total credit available. **Acquired credits:** If this is your first year to claim a credit transferred from another, enter on line 3 the total amount of the credit transferred as shown on your Certificate of Transfer.

**LINE 4** – Enter your proportionate share percentage. Partners, shareholders, or members of pass-through entities, enter the percentage that represents your proportionate share in the partnership, S corporations, LLC or LLP. All other taxpayers, enter 100%.

**LINE 5** – Multiply line 3 by line 4. This is the amount of this year's credit available to your income or privilege tax return.

### PART D – COMPUTATION OF THIS YEAR'S CREDIT

**LINE 6** – Enter any carry forward amount from line 10 of your prior year's Schedule K-35.

**LINE 7** – Add lines 5 and 6. This is your total credit available this tax year.

**LINE 8** – Enter your Kansas tax liability after all credits other than this credit.

**LINE 9** – Enter the lesser of lines 7 or 8. Enter this amount on the appropriate line of Form K-40, Form K-41, Form K-120 or Form K-130.

**PART E – COMPUTATION OF CREDIT CARRY FORWARD**

**LINE 10** – Subtract line 9 from line 7. This is the amount of credit available to enter on line 6 of your next year's Schedule K-35.



**IMPORTANT.** Attach copy of credit certified or credit transfer from Kansas State Historical Society and be sure to keep copies of the following with your records as the Kansas Department of Revenue reserves the right to request additional information as necessary.

- Tax credit certificate from the Kansas State Historical Society.
- Federal Form 3468, if applicable.
- Itemized list of actual costs and expenses.
- Certificate of Transfer from the Kansas State Historical Society if you are claiming an acquired credit.

**TAXPAYER ASSISTANCE**

For assistance with the federal and state rehabilitation credits contact:

Cultural Resources Division  
Kansas State Historical Society  
6425 SW 6th Ave.  
Topeka, KS 66615-1099  
Phone: 785-272-8681 Ext. 240  
Fax: 785-272-8682  
**kshs.gov**

For assistance in completing this schedule contact the Kansas Department of Revenue:

Taxpayer Assistance Center  
Scott Office Building  
120 SE 10th Ave.  
PO Box 750260  
Topeka, KS 66699-0260  
Phone: 785-368-8222  
Fax: 785-296-8989

Additional copies of this credit schedule and other tax forms are available from our website at: **ksrevenue.gov**